

REMARKS/ARGUMENTS

Status of the Claims

Claims 1-24 are currently pending in the application. No claims have been amended, added, or cancelled. Therefore, claims 1-24 remain present for examination. Claims 1, 4, 10, 15, 21, and 23 are independent claims.

Prior to entry of this amendment, the application included claims 1-24. A final office action mailed August 18, 2008 rejected claims 1-24 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,257,246 B1 issued to Brodie et al. ("**Brodie**").

35 U.S.C. §103 Rejection, Brodie

Claims 1-24 have been rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 7,257,246 issued to Brodie. Applicants respectfully request reconsideration of the rejection because the Examiner has failed to show a *prima facie* case of obviousness. To establish a *prima facie* case of obviousness, all claim limitations must first be taught or suggested by the prior art. *See, e.g., DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1360 (Fed. Cir. 2006). The Examiner must then provide an explicit analysis supporting the rejection. *See KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741 (2007) ("a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art"). While the Examiner can choose one of several exemplary rationales from the MPEP to support an obviousness rejection under *KSR*, all the rationales still require the Examiner to demonstrate that all the claim elements are shown in the prior art. *See* MPEP § 2143, Original Eighth Edition, August 2001, Latest Revision July 2008. Brodie does not describe all the limitations of the claims.

Claim 1:

The Examiner admits that Brodie does not teach all of the limitations of the claims. "Brodie fails to explicitly teach that the check is a *payroll check* and that the *location information about an employer who has issued a payroll check is obtained and used for risk*

assessment.” Office Action, p. 2 (*emphasis in the original*). As such, the Examiner admits that Brodie does not satisfy the requirements for obviousness as stated above.

Brodie cannot substantiate a case of obviousness alone when there are missing elements. As such, the Examiner now argues that “the use of payroll checks is notoriously well known in the art as well as the cashing of payroll checks.” *Office Action*, p. 2. The Examiner further states that “It is further well known that issuer information such as address information is printed on checks.” *Office Action*, p. 2. The Examiner has failed to provide any basis either by Official Notice, inherency, or other reasoning to justify that the missing elements are somehow disclosed in Brodie or well known.

The Examiner goes on to state in the Office Action that “it would have been obvious to one of ordinary skill in the art to modify Brodie et al.’s system to include this feature because doing so would allow for Brodie et al.’s system to cash payroll checks by verifying that the issuer of the check (employer) is a local company.” *Office Action*, p. 3. There are numerous problems with both the recitation of elements as being well known and the proffer of the motivation.

Missing Limitation: “request location information about an employer who has issued a payroll check”

The Examiner states that this claim element is missing from Brodie. “[Brodie et al.] fail to teach . . . that the location information about an employer who has issued a payroll check is obtained . . .” *Office Action*, p. 4. The Examiner only states that it would have been obvious to include this feature into Brodie to verify that an issuer of a check is a local company. As such, claim 1 is allowable over Brodie for at least this reason.

Missing Limitation: “obtain from the keypad the employer location information and to transmit the employer location information to a remote location”

The Examiner again states that this claim element is not shown in Brodie. “[Brodie et al.] fail to teach . . . that the location information about an employer who has issued a payroll check is obtained . . .” *Office Action*, p. 4. The Examiner only states that it would have

been obvious to include this feature into Brodie to verify that an issuer of a check is a local company. As such, claim 1 is allowable over Brodie for at least this reason.

Claims 2-3:

Claims 2-3 depend from allowable independent claim 1. Thus, claims 2-3 are allowable over Brodie due at least to this dependence.

Claim 4:

Claim 4 includes similar limitations as claim 1. Thus, claim 4 is allowable over Brodie for the same or similar reasons as claim 1.

Claims 5-9:

Claims 5-9 depend from allowable independent claim 4. Thus, claims 5-9 are allowable over Brodie due at least to this dependence.

Claim 10:

Claim 10 includes similar limitations as claim 1. Thus, claim 10 is allowable over Brodie for the same or similar reasons as claim 1.

Claim 11-14:

Claims 11-14 depend from allowable independent claim 10. Thus, claims 11-14 are allowable over Brodie due at least to this dependence.

Claim 15:

Claim 15 includes similar limitations as claim 1. Thus, claim 15 is allowable over Brodie for the same or similar reasons as claim 1.

Claim 16-20:

Claims 16-20 depend from allowable independent claim 15. Thus, claims 16-20 are allowable over Brodie due at least to this dependence.

Claim 21:

Claim 21 includes similar limitations as claim 1. Thus, claim 21 is allowable over Brodie for the same or similar reasons as claim 1.

Claim 22:

Claim 22 depends from allowable independent claim 21. Thus, claim 22 is allowable over Brodie due at least to this dependence.

Claim 23:

Claim 23 includes similar limitations as claim 1. Thus, claim 23 is allowable over Brodie for the same or similar reasons as claim 1.

Claim 24:

Claim 24 depends from allowable independent claim 23. Thus, claim 24 is allowable over Brodie due at least to this dependence.

Inherency

It is not inherent that Brodie teaches the missing element of the claims.

Applicants first wish to draw the Examiner's attention to MPEP § 2112 where it states:

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); *In re Oelrich*, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it

would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.’ ” *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999)

Further, MPEP § 2112 states that “‘In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.’ *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original) . . .”.

If Brodie were to inherently describe the elements of claim 1, it would be apparent that Brodie would use location data to determine risk. Rather, Brodie authenticates the check casher. *See Brodie*, col. 7, line 7 – col. 9, line 63 and Fig. 2. Then, Brodie authenticates the check. *See Brodie*, col. 9, line 64 – col. 11, line 58, and Fig. 3. There is no mention of requesting location information or using location information to determine risk. Indeed, Brodie relies only on authenticating the person and the check – and determining risk by the location of the check issuer does not flow from either of these processes. As such, Brodie cannot inherently anticipate the claims just because Brodie describes check data.

Official Notice

The claim terms are also not well known. Any attempt at taking Official Notice must fail. The Examiner has not purported to take Official Notice, which violates the notice requirements in M.P.E.P. § 2144.03. However, Applicants respectfully traverse the possibility of Official Notice taken in the Final Office Action by the Examiner. Applicants submit that the Examiner, according to M.P.E.P. § 2144.03, has improperly taken Official Notice. Specifically, M.P.E.P. § 2144.03 states:

In certain circumstances where appropriate, an examiner may take Official Notice of facts not in the record or rely on “common knowledge” in making a rejection, however such rejections should be judiciously applied. (*Emphasis added*).

Applicants respectfully submit that the Examiner has not judiciously applied the use of Official Notice (or common knowledge) in this situation. As will be shown below, the

standard for taking Official Notice without supporting documentary evidence or other support is rather high, and Applicants believe that the taking of Official Notice for the elements of claims fails to meet this standard.

M.P.E.P section 2144.03 states:

The standard of review applied to findings of fact is the “substantial evidence” standard under the Administrative Procedure Act (APA). See *In re Gartside*, 203 F.3d 1305, 1315, 53 USPQ2d 1769, 1775 (Fed. Cir. 2000). See also M.P.E.P. § 1216.01. In light of recent Federal Circuit decisions as discussed below and the substantial evidence standard of review now applied to USPTO Board decisions, the following guidance is provided in order to assist the examiners in determining when it is appropriate to take Official Notice of facts without supporting documentary evidence or to rely on common knowledge in the art in making a rejection, and if such Official Notice is taken, what evidence is necessary to support the examiner’s conclusion of common knowledge in the art. (*Emphasis added*).

The M.P.E.P. specifically states that the standard for findings of fact during prosecution is the “substantial evidence” standard. Further, sub-sections A, B, and C of M.P.E.P § 2144.03 are provided to assist Examiners in determining when it is appropriate to take Official Notice of facts without supporting documentary evidence. Hence, a detailed review of each of sub-sections A, B, and C will be undertaken to demonstrate that the Examiner has improperly taken Official Notice in the Office Action.

M.P.E.P section 2144.03(A), states:

Official notice without documentary evidence to support an examiner’s conclusion is permissible only in some circumstances. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be “capable of such instant and unquestionable demonstration as to defy dispute” (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)). In *Ahlert*, the court held that the Board properly took judicial notice that “it is old to adjust intensity of a flame in accordance with the heat requirement.

It would not be appropriate for the examiner to take Official Notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known.

It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. (Emphasis added).

As can be ascertained from the above-cited sub-section of the M.P.E.P., the taking of Official Notice without supporting documentation is a rare occurrence and should only be taken in some limited circumstances. One such circumstance is when common knowledge in the art is "instant and unquestionable demonstration as being well-known" and "unquestionable demonstration as to defy dispute." Furthermore, the above cited sub-section of the M.P.E.P. states that "[i]t is never appropriate to rely solely on 'common knowledge' in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based."

M.P.E.P section 2144.03(B), states:

In certain older cases, Official Notice has been taken of a fact that is asserted to be "common knowledge" without specific reliance on documentary evidence where the fact noticed was readily verifiable, such as when other references of record supported the noticed fact, or where there was nothing of record to contradict it.

The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to Official Notice so as to adequately traverse the rejection in the next reply after the Office action in which the common knowledge statement was made.

Therefore, to properly take Official Notice, the Examiner must meet four criteria before invoking the applicant's duty to respond. First, the information for which the Examiner is taking Official Notice must be the proper type of information, that is, the fact noticed is readily verifiable. Second, the Examiner must present the applicant with explicit basis on which the examiner regards the matter as subject to Official Notice. This basis must include some reasoning as to why the material is readily verifiable. Third, the other references of record must support the notified fact. Fourth, nothing of record contradicts the notified fact.

With regard to the first element, the material (e.g., that check cashing devices request and send issuer location information to a remote location and the issuer location is used in risk analysis) is not appropriate for a finding of Official Notice. It is not common sense that such issuer location information would be used in this manner. Further, it cannot be readily verifiable as other natural phenomenon are. For example, it is readily verifiable that the sun rose at 6:44 a.m. on September 14, 2008. Applicants are not aware of and were not presented with any way to determine that the noticed fact is readily verifiable. The Examiner did not indicate where or how Applicants could verify the noticed fact.

With regard to the second element of the test, the Examiner's basis for why employing issuer location information in risk analysis is well known. The Examiner has not presented any other references to support the taking of Official Notice. Indeed, all the Examiner states is that "It is well known that issuer information such as address information is printed on checks." *Office Action*, p. 2. The Examiner never explains why this is well known and makes no mention of why using the issuer information for risk analysis is well known.

With regard to the third element, Applicants believe that the record does in fact contradict the taking of Official Notice. The very art cited by the Examiner makes no mention of location information. Indeed, Brodie states:

The check-cashing apparatus can have one or more input devices (e.g., keyboard, card reader, and check reader) for receiving check data and identification data (e.g., a driver's license number) from a user. In one embodiment, the check cashing apparatus included a check scanner for capturing an image of a check presented by the user. The image includes one or more data fields (e.g., *legal amount, courtesy amount, payee, signature, endorsement, date and check type*). The check-cashing apparatus can also have a card reader, which can be used to capture data from a membership card, identification card, and/or driver's license. The check-cashing apparatus can also include a device for capturing biometric information of the user (e.g., fingerprint, retinal scan, photo or a DNA analysis, etc.). *Brodie*, col. 2, lines 8-21 (*emphasis added*).

Nowhere in the cited section does Brodie mention a request for location information of the employer. The Examiner attempts to equate "check data" with location information. However, nowhere in the entire disclosure of Brodie is there mention of the

employer's location being part of the check data. Brodie actually states "The imaging software, administered by the host, server, check-cashing administrative entity, or another administrative entity, reviews the key fields on each submitted check, including, but not limited to, legal amount, courtesy amount, payee, signature line, endorsement, date and check type." *Brodie*, col. 10, lines 52-57. Brodie says nothing about issuer location information being requested or input and belies the Examiner's claim that requesting issuer location information is actually well known. Thus, the record does not bolster the Examiner's contention that using issuer location information for risk analysis is well known.

Lastly, with regard to the fourth element, Applicants submit that the Office Action does contradict the Examiner's contention. As shown, Brodie, the cited art, makes no mention of issuer location information. Furthermore, in a search of the USPTO database for issued patents using the search string "SPEC/((risk AND cashing) AND (check AND "issuer location"))," the only two patents that were found were U.S. Patent No. 7,398,925 and 7,287,629, which are both related to the present application. Thus, there appears to be little support in the prior art for the Examiner's contention that requesting location information is well known. The Final Office Action simply states that the notified facts are "notoriously well known in the art." *Office Action*, p. 2. Applicants submit that "well known in the art" is not a proper basis to rely on for taking Official Notice. Indeed, it is not a basis at all.

M.P.E.P section 2144.03(C) states:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. (*Emphasis added*).

To trigger the Applicants' need to respond to a finding of Official Notice, the Official Notice must be proper. Applicants submit that the errors in the Examiner's action have been specifically pointed out (*see above comments*). As such, Applicants are not required to point out specific errors in the finding of Official Notice. However, some specific reasons why the notified fact is not common knowledge were presented above. Accordingly, Applicants respectfully request that the Examiner must support all findings with adequate evidence as

required by M.P.E.P. section 2144.03(c), or that the Official Notice be withdrawn and the claims allowed.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested. Applicants do not acquiesce to any argument not specifically addressed herein. Rather, Applicants believe the amendments and arguments contained herein overcome all rejections presented.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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